



U.S. Department of Justice

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D.C. property tax refund fraud scheme defendant sentenced to 51 months

*--Salon owner received more than \$1.5 million and 21 fraudulently
obtained property tax refund checks during 16 years in scheme--*

WASHINGTON - Samuel Earl Pope, 62, of Washington, D.C., was sentenced to 51 months of imprisonment this morning in federal court for his role in a nearly two-decades long conspiracy to defraud the District of Columbia through a property tax refund fraud scheme orchestrated by Harriette Walters, announced U.S. Attorney for the District of Columbia Jeffrey A. Taylor, U.S. Attorney for the District of Maryland Rod J. Rosenstein, Joseph Persichini, Jr., Assistant Director in Charge of the FBI's Washington Field Office, Charles J. Willoughby, Inspector General for the District of Columbia, Special Agent in Charge C. André Martin, Internal Revenue Service, Criminal Investigation Division, and District of Columbia Chief Financial Officer Natwar M. Gandhi.

On July 26, 2008, Pope pleaded guilty in the U.S. District Court for the District of Columbia before the Honorable Emmet G. Sullivan. Today, Judge Sullivan sentenced Pope to 51 months—the maximum sentence called for under the federal sentencing guidelines. Judge Sullivan also ordered Pope to provide \$1,586,406.26 in restitution to the District of Columbia. After Pope completes his period of incarceration, he will serve three years of supervised release, the first of which will be under electronic monitoring. Pope was also ordered to complete 300 hours of community service after being released. At the conclusion of the hearing today, Pope was taken into custody of the U.S. Marshals, to begin serving his sentence.

According to the factual proffer presented by the government in Court at the plea hearing in July, Pope met Harriette Walters in the late 1980s, when she began coming to his hair salon, Head to Toe, in Southwest Washington, D.C. Walters was an employee of the D.C. Office of Tax & Revenue (OTR) and has been charged with embezzling funds by

creating and approving fraudulent property tax refund applications. Walters explained her property tax refund fraud scheme to Pope, and he agreed to allow her to use his company's name as a payee on refund checks and to deposit such checks into his corporate banking accounts. Before Pope became a co-conspirator, Walters used friends's names as payees on the fraudulent property tax refunds. Once Pope entered the scheme, and Walters could use Pope's corporate account, Walters increased the dollar amounts of the fraudulent checks from approximately \$4,500 per check to nearly \$40,000 per check. In 2007, Pope received two fraudulently obtained District of Columbia property tax refund checks from Walters after faxing a letter to Walters's office requesting that refunds be mailed to his home.

During Pope's 16 years in the scheme, he received 21 fraudulently obtained District of Columbia property tax refund checks. He also received an additional \$412,201.66 in proceeds from the scheme. In total, Pope received \$1,586,406.26 through his participation in the scheme. Pope used portions of his proceeds to invest in a restaurant in Mississippi and to make mortgage and car payments.

"Today's sentence sends a clear and potent message of deterrence to those considering whether to embezzle from our City. Although the pain caused by this conspiracy can never be fully healed, today's sentence is an important step in the process by which the District may move forward," said U.S. Attorney Taylor.

"We are pleased that Mr. Pope received the maximum sentence possible because his conduct maximized Harriette Walters' ability to cheat the people of Washington, D.C. by allowing her to move money through his corporate account for so long," stated FBI Assistant Director in Charge Persichini.

All eleven defendants in this conspiracy have pleaded guilty, and all but three have been sentenced. Harriette Walters, the ringleader of the conspiracy, is scheduled to be sentenced on June 16, 2009.

In announcing today's sentence, U.S. Attorneys Taylor and Rosenstein, Assistant Director in Charge Persichini, D.C. Inspector General Willoughby, IRS Special Agent in Charge Martin, and Chief Financial Officer Gandhi commended the outstanding and dedicated team that has investigated this case and the entire OTR tax fraud scheme, including: FBI Special Agents Andrew Sekela, Julie Shields, Debra LaPrevotte, and Matthew Walsh, and Intelligence Analyst Jessica Pipher, Paralegal Specialist Lucy Sampson, and Contract Forfeiture Investigator Jerry Simpson; IRS CID Special Agent Nicole Davis and TIGTA Special Agent Edward Bosak; Director of Internal Security Charles Fultz and Senior Investigator Donna Tolliver, of the OCFO Office of Integrity and Oversight; Special Agent Kevin Craddock and Tax Auditor James LeSane of OTR; and D.C. OIG Special Agent Kerthalia Peavely.

Also commended were commended Paralegal Specialist Diane Hayes; Criminal Investigator Diane Eickman; Legal Assistants April Peeler, Lisa Robinson, and Michael Thompson; summer legal intern George Ingham; former Assistant U.S. Attorney Geoffrey L.J. Carter; and Chief Steven Durham, and Deputy Chief Howard Sklamberg. U.S. Attorney Taylor also commended Information Technology Specialist Oliver John-Baptiste, Litigation Support Specialist Joseph Calvarese, and the entire staff of the Litigation Services Unit in the U.S. Attorney's Office for the District of Columbia.

Finally, U.S. Attorneys Taylor and Rosenstein commended Assistant U.S. Attorneys Timothy G. Lynch and David S. Johnson, from the U.S. Attorney's Office for the District of Columbia; Assistant U.S. Attorneys Jonathan Su and Deborah Johnston from the U.S. Attorney's Office for the District of Maryland; and Assistant U.S. Attorney Diane Lucas from the Asset Forfeiture Unit of the U.S. Attorney's Office for the District of Columbia.

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